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WHEREAS, City recognizes the importance of its role in local economic development; and

WHEREAS, on October 28, 1998, City Council authorized the establishment of Tax Increment Financing Reinvestment Zone Number Seven, City of Dallas, Texas ("Sports Arena TIF District") in accordance with the Tax Increment Financing Act, as amended, Chapter 311 of the Texas Tax Code, Vernon's Texas Codes Annotated (the "Act") to promote development and redevelopment through the use of tax increment financing by Resolution No. 98-3137 (Ordinance No. 23688); as amended; and

WHEREAS, on August 25, 1999, City Council authorized the Sports Arena Tax Increment Financing District Project Plan and Reinvestment Zone Financing Plan by Resolution No. 99-2628 (Ordinance No. 24002); as amended; and

WHEREAS, on May 23, 2012, City Council conducted a public hearing and received comments on amendments to the Sports Arena TIF District Project and Reinvestment Zone Financing Plans and authorized an ordinance amending Ordinance No. 23688, previously approved on October 28, 1998, and Ordinance No. 24002, previously approved on August 25, 1999, to **(1)** add two new sub-districts within the Sports Arena TIF District: (a) Riverfront Gateway Sub-district and (b) West Dallas Sub-district; **(2)** increase the geographical area of the Sports Arena TIF District to add approximately: (a) 4.5 acres to the Victory Sub-district (generally the original Sports Arena TIF District boundary); (b) 33 acres in the Riverfront Gateway Sub-district; and (c) 89.2 acres in the West Dallas Sub-district; **(3)** extend the termination date of the Sports Arena TIF District for a 10 year period from the City Council established termination date of December 31, 2018, to December 31, 2028, for the Victory Sub-district and establish a termination date for the Riverfront Gateway and West Dallas Sub-districts of December 31, 2042; **(4)** decrease the percentage of tax increment contributed by the City of Dallas during the extended term of the TIF District and establish other taxing jurisdictions participation percentages; **(5)** increase the Sports Arena TIF District budget from \$25,498,568 NPV (approximately \$46,961,785 total dollars) to \$94,409,005 NPV (approximately \$273,599,175 total dollars), an increase of \$68,910,437 NPV (approximately \$226,637,390 total dollars); **(6)** create an Economic Development TIF Grant Program within the District and adopt program guidelines; **(7)** make corresponding modifications to the Sports Arena TIF District map, budget and Project and Reinvestment Zone Financing Plans by Resolution No. 12-1424 (Ordinance No. 28672); and

WHEREAS, on March 31, 2005, the City of Dallas Park and Recreation Board (the "Board") approved the Dallas Trails Network Plan, which identified existing and proposed trails to be developed within the City of Dallas and was later updated in 2008 ("Trails Network Plan Update");

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WHEREAS, as part of the Trails Network Plan Update, the City documented its intent to create a City-wide circuit trail loop encompassing various existing and proposed trails, totaling approximately 53.5 miles (The Loop), as depicted in **Exhibit A**; and

WHEREAS, the City has constructed approximately 21.6 miles of The Loop and has funded 21.9 miles of proposed trails within The Loop; and

WHEREAS, the Circuit Trail Conservancy (“CTC”), a 501(c)(3) Texas non-profit organization, was formed for the purpose of assisting with the funding and design of the remaining undeveloped 10 miles of The Loop comprised of the Circuit Trail Connection (now called the Hi Line Connector), Trinity Forest Spine Trail, Trinity Gateway Trail and Trinity Skyline Trail, also shown in **Exhibit A**; and

WHEREAS, on November 15, 2016, City Council was briefed on The Loop and the CTC; and

WHEREAS, on March 15, 2018, the City entered into an agreement with the CTC for the concept and schematic design phase of the development of The Loop and on May 3, 2018, the City issued to the CTC a Notice to Proceed Schematic Design Phase of the remaining undeveloped 10 miles of The Loop by Administrative Action No. 18-5537;

WHEREAS, on January 10, 2019, the Board authorized a development and funding agreement with the CTC.

WHEREAS, on February 27, 2019, City authorized **(1)** a development and funding agreement (the “Original Funding Agreement”) with the CTC, a Texas non-profit organization, for the purpose of assisting with the funding, land acquisition, design and construction of hike and bike trails on the remaining undeveloped 10 miles of The Loop, comprised of the Circuit Trail Connection (now called the Hi Line Connector Trail), Trinity Forest Spine Trail, the Trinity Gateway and Trinity Skyline Trail Links; **(2)** the receipt and deposit of funds in an amount not to exceed \$10,000,000.00 from the CTC in the Circuit Trail Conservancy Fund; **(3)** establishment of appropriations in an amount not to exceed \$10,000,000.00 in the Circuit Trail Conservancy Fund; **(4)** a match in the amount of \$10,000,000.00 from the Park and Recreation Facilities (B) Fund (2017 Bond Funds); **(5)** execution of the development and funding agreement and all terms, conditions and documents required by the agreement; and **(6)** the disbursement of funds to the U.S. Army Corps of Engineers for work on the Trinity Forest Spine Trail South in an amount not to exceed \$3,500,000.00 from the Circuit Trail Conservancy Fund and in an amount not to exceed \$3,500,000.00 from the Park and Recreation Facilities (B) Fund (2017 Bond Funds) for a total not to exceed \$20,000,000.00 by Resolution No. 19-0340; and

WHEREAS, the Original Funding Agreement between the City and the CTC authorized the CTC to seek alternative funding if the costs of designing and constructing the remaining trails of The Loop exceed \$43 million; and

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WHEREAS, a development goal of the Sports Arena TIF District (“District”) is to increase recreational opportunities and improve connections to the City of Dallas trails and open space system in the District, especially the Trinity River, Trinity Strand Trail, Katy Trail and Continental Pedestrian Bridge; and

WHEREAS, on June 2, 2021, the Sports Arena TIF District Board of Directors reviewed the proposed Hi Line Connector Trail (“Project”) and recommended City Council authorization of a development agreement with the CTC for the design and construction of the North Victory segment of the Project located in the Victory Sub-district of the Sports Arena TIF District in an amount not to exceed \$11,562,124.00; and

WHEREAS, the Economic Development Committee was briefed regarding this Project on June 7, 2021; and

WHEREAS, in furtherance of the Sports Arena TIF District Project Plan and Reinvestment Zone Financing Plan, as amended, and to promote within the Sports Arena TIF District: (1) development and diversification of the economy, (2) elimination of unemployment and underemployment, (3) development and expansion of commerce, and (4) improvement of the pedestrian environment through plaza and sidewalk improvements, landscaping, lighting, design standards, and burial of overhead utilities, including improved pedestrian connections throughout the District, the City desires to provide economic incentives to the CTC for the Hi Line Connector Trail depicted in **Exhibit B**, specifically reimbursing the costs of the North Victory Segment of the Project located within the Victory Sub-district of the District as shown in **Exhibit C**; and

WHEREAS, the expenditure of TIF funds supporting this agreement is consistent with promoting development and redevelopment of the Sports Arena TIF District in accordance with the purposes for its creation, the ordinance adopted by the City Council approving the Project and Financing Plan, as amended, and is for the purpose of making public improvements consistent with and described in the Project and Financing Plan, as amended, for the District.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to execute a development agreement, and all other necessary documents with the Circuit Trail Conservancy (“CTC”) and/or its affiliates for the design and construction of the North Victory segment of the Hi Line Connector Trail Project located in the Victory Sub-district of the Sports Arena TIF District in an amount not to exceed \$11,562,124.00 (“TIF Subsidy”), as shown in **Exhibit D** – TIF Budget and **Exhibit E** – Estimated Project Costs, payable from annual appropriations from Sports Arena TIF District Funds, and approved as to form by the City Attorney.

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SECTION 2. That the facts and recitations contained in the preamble of this resolution are hereby found and declared to be true and correct.

SECTION 3. That the Chief Financial Officer is hereby authorized to disburse funds to the Circuit Trail Conservancy and/or its affiliates (Vendor # VS97236), from the Sports Arena TIF District Fund (subject to annual appropriations from tax increments), as follows: Sports Arena TIF District Fund, Fund 0038, Department ECO, Unit W697, Object 4599, Activity SATI, Program SATIF0009, Encumbrance CX-ECO-2021-00016721, Vendor VS97236, in an amount not to exceed \$11,562,124.00.

SECTION 4. That the TIF Subsidy includes (1) reimbursement of costs (actual expenditures) for demolition activities; (2) reimbursement of costs (actual expenditures) for infrastructure/utility improvements which includes TIF-eligible expenditures for design and engineering, street paving and resurfacing, infrastructure construction/upgrades/relocation (water, wastewater, storm sewer, traffic signals), and relocation and/or burial of overhead electric, cable television and phone lines throughout the site, design, engineering, and construction of streetscape improvements, including lighting, sidewalk, bike/pedestrian improvements; street furnishings; landscaping and irrigation of public areas, wayfinding and signage, murals and public art, water features, and other streetscape features related to the Project; all labor and materials related to such construction, including costs for traffic control and security; and all costs related thereto, including but not limited to soft costs and professional fees for design and environmental consultants, architects, and engineers, developer fees, legal fees, general contractor and construction management fees, and administrative costs charged by the above described third party entities; and (3) financing costs including interest or other obligations issued to pay for Project costs, which shall not exceed \$370,000.00. Notwithstanding the foregoing, in the event construction of all or any portion of the Project and/or payment of the TIF reimbursement to Developer is delayed, resulting in the accrual of additional interest for financing or other obligations issued to pay for Project costs, any remaining, unused funds allocated to Contingency line items on the Estimated Project Costs attached hereto as **Exhibit E** may be used/re-allocated to reimburse the Developer for additional interest costs arising from the delay(s) in excess of the aforementioned \$370,000.00 cap on interest.

SECTION 5. That nothing in this resolution shall be construed to require the City to approve payment from any source of City funds other than the Sports Arena TIF District Fund and/or Tax Increment Bonds. Any funds expended under the development agreement that remain unpaid upon termination of the Sports Arena TIF District, due to lack or unavailability of Sports Arena TIF District Funds, shall no longer be considered project costs of the Sports Arena TIF District or the City, and the obligation of the Sports Arena TIF District to pay the CTC shall automatically expire.

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SECTION 6. That in addition to the conditions set out in the sections above, the development agreement is hereby expressly made subject to all of the following contingencies which must be performed or occur:

- A. Minimum Investment. CTC shall incur (or cause to be incurred) and provide documentation evidencing a minimum of \$16,000,000 (“Minimum Investment”) in expenditures for design, installation of, construction and construction funding for the Project (“Project Expenditures”), including, but not limited to construction costs (such as but not limited to labor, materials, traffic control, and security related to the same), construction-related soft costs (including but not limited to general contractor and construction management fees), infrastructure improvements, the cost of obtaining easements or licenses, site amenities (including but not limited to site and street furnishings, lighting, signage, water features, murals, and public art), and professional fees (e.g. architecture, engineering, landscape architecture, design consultants, environmental consultants and assessments), permitting fees, insurance costs and fees, and financing costs and fees, including interest. Construction management costs and administrative fees may be considered a Project Expenditure if services are directly related to ensuring the quality of the construction of the Project and are performed by an independent and unaffiliated third-party from CTC. Construction management costs must be evidenced by invoices with detailed descriptions of services performed. CTC fees, legal fees, marketing fees, leasing commissions, reserves, operating deficits through stabilization and other similar costs shall not be considered a Project Expenditure. With the exception of site acquisition (including obtaining easements or licenses), professional fees, environmental assessments and other eligible due diligence costs required to complete a City of Dallas Incentive Application, no expenditures made prior to City Council approval of this proposed TIF Funding may count towards the Minimum Investment. In no case may any eligible due diligence costs required to complete a City of Dallas Incentive Application be incurred prior to March 14, 2018 towards the Minimum Investment. Any actual costs that qualify as Project Expenditures will be counted towards the Minimum Investment regardless of whether CTC is a party to any construction contract for the Project.
- B. Project Financing. CTC shall close construction financing for the Victory Park Segment prior to or contemporaneously with the City’s execution of a development agreement with the CTC after City provides at least 7 days prior written notice of execution of a TIF development agreement. CTC shall submit financing documentation to the City.

SECTION 6. (continued)

- C. Notice to Proceed Deadline and Start Construction. CTC shall provide documentation that a notice to proceed and start construction of the Project was issued by the City by June 30, 2023. CTC shall meet the conditions for commencing construction of the Project set forth in Section 6.7 of the Original Funding Agreement, attached hereto as **Exhibit F**, with the understanding that if the City enters into one or more construction contracts for the Project and the construction contract(s) are not assigned to CTC, the City shall provide CTC with a copy of any such construction contract, including addenda, change orders and any other documentation in the City's control related thereto or otherwise required pursuant to Section 6.7 of the Original Funding Agreement.
- D. Completion Deadline. CTC shall submit documentation that construction of the Project was completed by June 30, 2025 ("Completion Deadline"). Project completion will be evidenced by any of the following: a certificate of completion, the Final Acceptance Letter (as defined in the Original Funding Agreement), and/or similar documentation issued by the City.
- E. Certification of Final Completion. CTC shall submit certificates of completion, and/or similar documentation issued by the Project's architectural firm and/or general contractor to Staff.
- F. City Acceptance of Public Infrastructure Improvements. CTC shall submit a letter of acceptance (for example, a Final Acceptance Letter) or similar documentation issued by the City for the Project, which may include, without limitation, a green tag issued from the Public Works Department for any public infrastructure improvements associated with the Project by June 30, 2025.
- G. Extension of Project Deadlines. If CTC cannot reasonably meet the Project deadlines set forth in Section 6 due to the City's delay in procuring and/or awarding the construction contract for the Project and/or in reviewing plans or issuing permits or similar approvals, the CTC will notify the Director of Office of Economic Development ("OED") (at the recommendation of the City Representative, in accordance with and as defined in the Original Funding Agreement, collectively, the "Director"), and upon receipt of such a request the Director may, in his/her sole discretion, extend the Project deadlines equal to the period of the City's delay without requiring City Council or TIF Board approval. Additionally, upon request by CTC, the Director may, in his/her sole discretion, authorize an extension of the Project deadlines, including but not limited to the Completion Deadline, for any other reason for up to twelve (12) months without requiring City Council or TIF Board approval.

SECTION 6. (continued)

- H. Operating and Maintenance Agreement. Prior to the Completion Deadline, CTC shall execute an Operating and Maintenance Agreement for any Non-Standard Public Improvements (defined below) associated with the Project (the “Operating and Maintenance Agreement”), and if necessary, obtain a license from City for the purpose of maintaining any Non-Standard Public Improvements in the public right-of-way. “Non-Standard Public Improvements” shall be defined as those public infrastructure improvements which exceed the City’s standard design requirements, as determined by the City, and shall include specially designed street/pedestrian lighting, brick pavers, bollards, enhanced sidewalks, public art, fountains, enhanced landscaping and irrigation. The City Representative (as defined in the Original Funding Agreement) shall determine which Improvements within the Project meet the definition of Non-Standard Public Improvements. City shall retain ownership of such public improvements and may at its sole option, if CTC fails to maintain such public improvements after notice from City, perform such maintenance and invoice CTC for the costs, which costs CTC shall pay within thirty (30) days of notice. The term for the Operating and Maintenance Agreement shall be twenty (20) years. CTC’s maintenance responsibilities shall survive in the event of CTC’s default.

CTC may assign its operating and maintenance obligations for the Project, in whole or in part, to a new CTC or property owner for all or a portion of the Project, public improvement district, municipal management district, nonprofit organization, property owners’ association, or other non-City entity with the prior approval of the Director. The terms and conditions of the Operating and Maintenance Agreement are binding upon the successors and assigns of all parties hereto. Notwithstanding the foregoing, CTC shall not be released from its obligations to maintain any portion of the Non-standard Public Improvement items without the express assumption of the obligations as to such portion by an approved assignee for the balance of the term of the Operating and Maintenance Agreement.

- I. Business Inclusion. For any construction contract for the Project (or portion thereof) awarded by CTC, CTC shall make a good faith effort to comply with the City’s Business and Workforce Inclusion’s goal of 32% participation by certified Minority/Women-owned Business Enterprises (“M/WBE”) for all hard construction expenditures on the portion of the Project included in a construction contract awarded by CTC (if applicable) and meet all reporting requirements (the “Business Inclusion Requirements”). For any construction contract for the Project (or portion thereof) awarded by the City, City will comply with all applicable laws and regulations for M/WBE compliance.

SECTION 6. (continued)

- J. Quarterly Reporting. Commencing after both parties execute a TIF development agreement and continuing until the documentation evidencing Project completion has been submitted to OED and the Victory Park Segment has passed final inspection, CTC shall submit to OED quarterly status reports for all ongoing work on the Project, which reports shall be in the form attached as an exhibit to the final TIF development agreement. Such status reports shall be due within 30 calendar days following the end of each calendar quarter. The end of the calendar quarter shall be March 31st, June 30th, September 30th and December 31st of each calendar year.
- K. Design. The Urban Design Peer Review Panel (“UDPRP”) is an independent group of professional designers selected by the City Manager with expertise in architecture, landscape architecture, engineering, and urban planning. Review by the UDPRP is required for all projects requesting TIF subsidies. Following a formal review of Project’s preliminary conceptual drawings and renderings on June 28, 2019, the UDPRP provided urban design advice for the CTC. On August 23, 2019, CTC presented a response and revised conceptual plans to the UDPRP for their review. Following the August 23rd UDPRP meeting, City’s Planning and Urban Design (“PUD”) Department staff provided additional urban design comments to the CTC. Prior to consideration of the Project by the Sports Arena TIF District’s Board of Directors, the CTC submitted to the OED and PUD revised conceptual drawings that addressed all PUD’s comments.

Prior to submitting construction plans to the City’s Sustainable Development and Construction Department as part of a building permit application, CTC shall submit a set of the construction drawings to the PUD Department for a final staff review to ensure that the Project will be constructed in substantial conformance with the conceptual drawings and renderings presented to the UDPRP by the CTC on August 23, 2019. Allowable minor modifications may include those required for compliance with development regulations administered by the City’s Sustainable Development and Construction Department or other City departments and those required by the Director. PUD staff shall complete the final staff review of permit drawings within 10 business days of submission by CTC.

- L. Minor Modifications. The Director may authorize minor modifications to the Project without City Council or TIF Board approval, including, but not limited to, those changes to the conceptual design required by the City’s Departments of Sustainable Development and Construction and/or Transportation, to comply with applicable federal, state and local laws, codes and regulations, or those changes required by the City Representative. Material changes to the approved conceptual plans shall require review by the Planning and Urban Design Department and/or UDPRP and approval of the City Council and TIF Board.

SECTION 6. (continued)

- M. Procurement. All construction procurement for the Project shall be conducted in accordance with the terms of the Original Funding Agreement. Notwithstanding the foregoing, CTC shall comply with City's procurement policies and procedures.

SECTION 7. That payment of the TIF Subsidy is subject to the availability of tax increment. If the appraised value of the property in the Victory Sub-district of the Sports Arena TIF District remains constant or decreases in value from the base year value, the TIF Subsidy for that year may be reduced or unpaid due to the lack of available increment. The TIF Subsidy shall be paid solely from the Tax Increment Fund, if and when tax increments are received and available for such purpose, during the life of the Victory Sub-district of the Sports Arena TIF District (including collection of the 2028 tax year increments in calendar year 2029), subject to the limitations on repayment of the TIF Subsidy provided in the development agreement.

SECTION 8. That assuming all other conditions for payment have been met, the City of Dallas will administer the payment of the TIF Subsidy for the Project annually, pursuant to the Sports Arena TIF District Increment Allocation Policy attached hereto as **Exhibit G**.

SECTION 9. That until completion of the Project, an assignment of the rights and/or the obligations of the TIF development agreement, in whole or in part, will only be allowed to one or more nonprofit organizations comparable to CTC with the prior written approval of the Director.

After completion of the Project and all conditions for the TIF Funding have been met, CTC may assign its rights or obligations under the TIF development agreement, in whole or in part, to any entity with the prior written approval of the Director. CTC and any assignee have the right, from time to time (whether prior to or after completion of the Project), to collaterally assign, pledge, grant a lien or security interest in, or otherwise encumber any of their respective rights, title, or interest under the TIF development agreement for the benefit of their respective lenders with prior written notice and approval of the Director, which shall not be unreasonably withheld. The collateral assignment, pledge, grant of lien or security interest, or other encumbrance shall not, however, obligate the lender to perform any obligations or incur any liability under the TIF development agreement unless the lender agrees in writing to perform such obligations or incur such liability.

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SECTION 10. That in the event the Director determines that the Project has been delayed as a result of force majeure, after being provided written notice by CTC, CTC shall have additional time to complete the Project, as may be required in the event of force majeure, defined herein, so long as CTC is diligently, and faithfully pursuing completion of the Project, as determined by the Director . "Force majeure" shall mean any contingency or cause beyond the reasonable control of CTC, as determined by the Director including, without limitation, acts of nature or the public enemy, war, riot, civil commotion, insurrection, state, federal or local government issued restrictions (which may include but are not limited to restrictions or shut downs issued in response to the COVID-19 pandemic or similar pandemic event), federal or municipal government or de facto governmental action or inaction (unless caused by acts or omissions of CTC), fires, casualty, explosions, floods, tornados, and strikes. In the event of force majeure, CTC shall be excused from doing or performing the same during such period of delay, so that the completion dates applicable to such performance, or to the construction requirement shall be extended for a period equal to the period of time CTC was delayed, subject to Director's approval.

SECTION 11. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.